



MEMPHIS OUTCOMES RATE CARD WORKING GROUP

APRIL 13, 2018

▶ AGENDA

I. Overview of project progress

II. Discussion: Outcome definitions & pricing principles

III. Review of workplan and next steps

Goals for Today's Discussion:

- ✓ Review project progress to date
- ✓ Discuss and finalize outcome list and definitions
- ✓ Discuss high-level pricing principles
- ✓ Align on key next steps

► PROGRESS SINCE OUR LAST WORKING SESSION

1

WIOA Research & Engagement

- Thoroughly reviewed **WIOA and P4P requirements**; conducted scan to identify any P4P guidance that has been issued at the state or national level
- **Engaged with US Dep't of Labor and TN LWD** to test ability for WIN to utilize rate card approach within P4P provision of WIOA
- Engaged with **San Diego WIB** to understand their experience with P4P

2

Data Discussions & Data Requests

- Reviewed **TDOC data request** with April Buckner and Tanya Washington – *Tanya Washington's team is working on pulling requested data*
- Requested data will inform **scale of target population** and provide ongoing access for **justice involvement outcome validation**

3

Stakeholder Engagement

- Had initial conversations with **City of Memphis** Chief of HR, Alex Smith, and **WIN Board member**, Mark Sturgis to understand appropriate timeline for engagement with Mayor's Office and WIN Board
- Held **PFS working session** with Shelby County Juvenile Justice PFS project team to understand opportunities to share learnings

4

Rate Card Design

- Created **preliminary list of outcomes** based on detailed discussions with WIN and service providers to understand areas of interest (*see later slide*)
- Working with WIN to identify available **maximum funding for outcomes payments**
- Began preliminary discussions around **RFP structure**



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▶ NARROWING OUTCOME SELECTION

1. Stakeholder Goals

- *Outcomes must align with the goals of involved stakeholders (e.g. WIN, MSCC, Service Providers, etc.) and indicate meaningful progress toward policy priorities*

2. Data/M Measurement

- *Outcomes must be measurable within contractual time period*
- *Data required for measurement/validation must be accessible in a timely fashion to project stakeholders*

3. Operational Implications

- *Selected outcomes must align with funding restrictions (from both WIN and WIOA) and not add undue burden to project partners*



► PROPOSED RATE CARD OUTCOMES

Current rate card design includes 7 metrics across programmatic, workforce and justice involvement categories

	Metric	Value
1	Enrollment	\$X
2	Unsubsidized Job Placement [Tiered by benefit package/No benefits]	\$X
3	Q2 Employment	\$X
4	Stability	\$X
5	6-Month Sustained Employment	\$X
6	12-Month Sustained Employment	\$X
7	One-Year Avoided Incarceration	\$X

*Once **list of outcomes** is finalized, next steps will be to **define outcome pricing** and **RFP requirements***



▶ PROPOSED OUTCOME DETAIL

	Metric	Proposed Definition	Proposed Validation
1	Enrollment	<ul style="list-style-type: none"> Enrollment of a medium or higher-risk project-eligible individual into eligible services 	<ul style="list-style-type: none"> VOS entry of completed enrollment forms Confirmation of risk-level
2	Unsubsidized Job Placement	<ul style="list-style-type: none"> Placement in unsubsidized employment Tiered payment based on proof of Benefits Package 	<ul style="list-style-type: none"> 2 valid employee pay stubs
3	Q2 Employment	<ul style="list-style-type: none"> Employment anytime during second quarter after initial unsubsidized job placement 	<ul style="list-style-type: none"> 2 valid employee pay stubs

▶ PROPOSED OUTCOME DETAIL

	Metric	Proposed Definition	Proposed Validation
4	Stability	<ul style="list-style-type: none"> Engagement in relevant complementary programming based on demonstrated client need across: <ul style="list-style-type: none"> Substance use treatment Housing support/services 	<ul style="list-style-type: none"> Validated demonstrated need [PO as reference?] RFP will outline specific services allowable under WIOA requirements within Stability outcome
5	6-Month Sustained Employment	<ul style="list-style-type: none"> Employment during at least 5 of 6 calendar months since initial unsubsidized job placement 	<ul style="list-style-type: none"> Valid employee pay stub in at least 5 of 6 calendar months since placement date (beginning 1st of calendar month post-placement)
6	12-Month Sustained Employment	<ul style="list-style-type: none"> Employment during at least 10 of 12 calendar months since initial unsubsidized job placement 	<ul style="list-style-type: none"> Valid employee pay stub in at least 10 of 12 calendar months since placement date (beginning 1st of calendar month post-placement)
7	One-Year Avoided Incarceration	<ul style="list-style-type: none"> Avoided incarceration for new crimes through first year post-placement 	<ul style="list-style-type: none"> TDOC Monthly Admissions Report – validate client was not admitted to TDOC facility during any of the 12 months post-placement



► OUTCOME PRICING PRINCIPLES: OVERVIEW

Early-stage pricing discussions build on several core principles

- Prices will reflect the **value of each outcome to WIN and WIN's willingness to pay for those outcomes**, while accounting for the **cost for service providers** to achieve each outcome
- Prices will aim to incentivize achievement of longer-term, more meaningful outcomes by **offering additional upside** over and above the cost to deliver services
 - **Achievement of only shorter-term output metrics** that are currently required through WIOA and are embedded in current WIN Youth contracts should not fully cover providers cost of services.
 - This approach is intended to ensure that contracts are only awarded to **providers who pursue achievement of longer-term outcomes**
- If a provider is able to **achieve every outcome** on the rate card, they should be able to **receive up to 2x average cost**
 - We assume that a majority of providers would likely need to **partner with another provider** in order to achieve all outcomes

Do these principles resonate with the Working Group?



▶ OUTCOME PRICING PRINCIPLES: DETAILS

Outcome selection and pricing are interconnected in creating appropriate incentives for service provision

- **Sustained Employment:** 6 and 12-month sustained employment metrics allow for shorter-term and longer-term meaningful employment outcomes. In many cases, **achievement of these outcomes will build on each other**
 - Therefore, although the 12-month metric is 2x the length, it should not be 2x the price of the 6-month metric
- **One-Year Metrics:** The use of both a **12-month employment** and **one-year avoided incarceration** outcome is intentional to incentivize different types of service provision and eligible provider
 - It is **possible for a provider to achieve both outcomes**, although our hypothesis is that providers will need to offer more than just basic employment services in order to do so

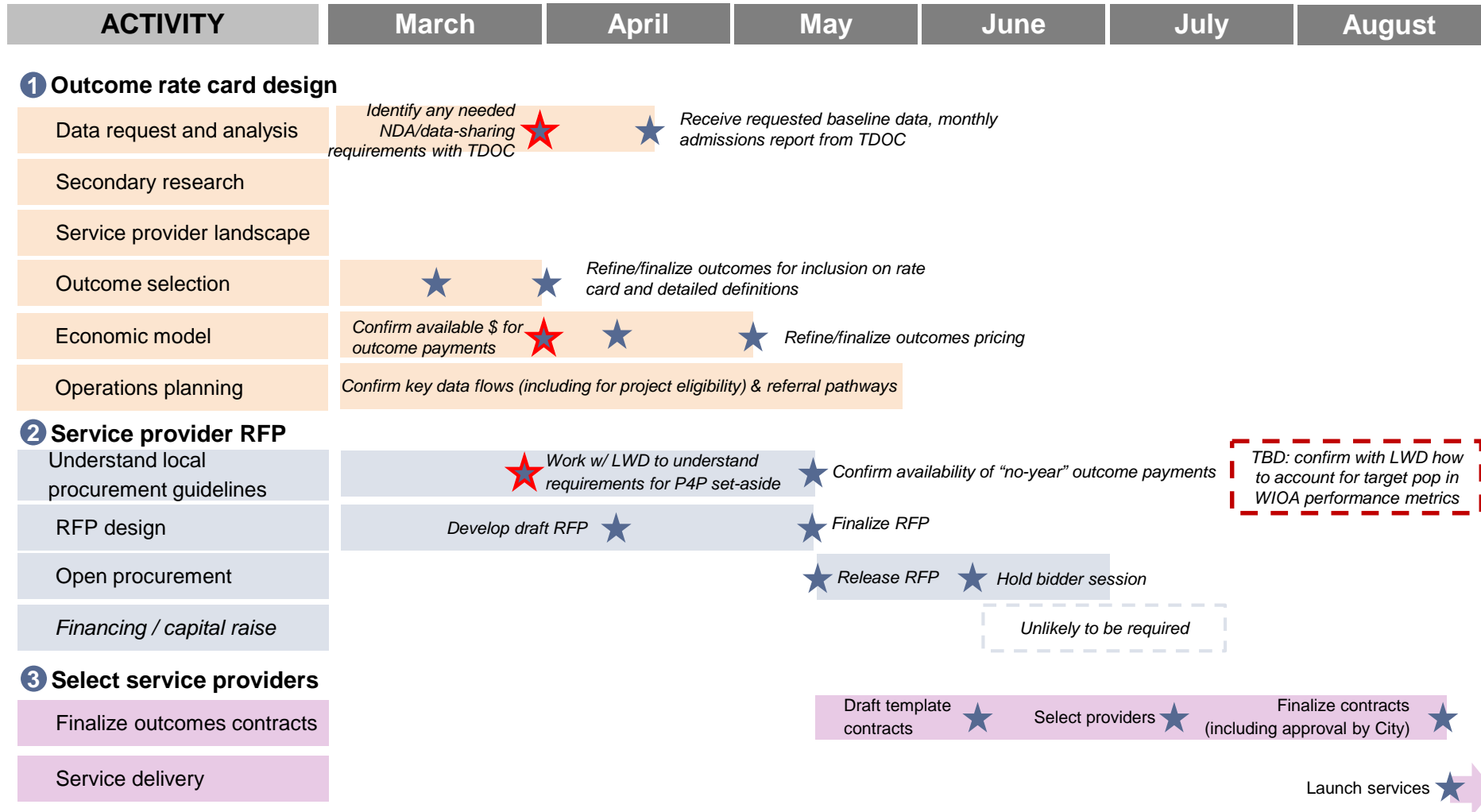



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▶ LOOKING AHEAD: WIN RATE CARD PROJECT MILESTONES

Understanding key milestones remaining for project completion



 Milestones at risk of delay

Next Steps

- **Working Group team** to continue project design discussions to:
 - Finalize list of outcomes and definitions
 - Determine preliminary proposed pricing for each outcome
 - Continue working with TDOC to obtain relevant corrections data
- **WIN finance team** to work with TN LWD Finance team to understand mechanism for 10% “no-year” set-aside
- **WIN and SFI/SIC teams** to engage with WIN Board and Mayor Strickland to “greenlight” proposed project
- **WIN team** to determine final available outcome payments, funding stream, and availability timeline